

HOUSE BILL No. 1124

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-5-24.

Synopsis: Gift card fees. Provides that a person that issues certain gift cards may not charge fees that reduce the value of the gift cards.

Effective: July 1, 2007.

Cherry, Burton

January 8, 2007, read first time and referred to Committee on Financial Institutions.

C
o
p
y



Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1124

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-5-24 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]:

4 **Chapter 24. Gift Cards**

5 **Sec. 1.** As used in this chapter, "gift card" means a certificate,
6 electronic card, or other medium issued by a person that evidences
7 the giving of consideration by a consumer in exchange for the right
8 to redeem the certificate, electronic card, or other medium for
9 goods, food, services, credit, or money of at least equal value to the
10 consideration given.

11 **Sec. 2.** As used in this chapter, "person" means an individual, a
12 corporation, the state or the state's subdivisions or agencies, a
13 business trust, an estate, a trust, a partnership, an association, a
14 cooperative, or any other legal entity.

15 **Sec. 3.** This chapter applies to a gift card issued after June 30,
16 2007.

17 **Sec. 4.** This chapter does not apply to the following gift cards:

2007

IN 1124—LS 6851/DI 110+



C
o
p
y

(1) A gift card distributed by a person that issues the gift card to a consumer under an awards program, a loyalty program, or a promotional program, without any money or other consideration given by the consumer in exchange for the gift card.

(2) A gift card issued for less than face value to:

(A) an employer;

(B) a charitable organization exempt from federal taxation under Section 501 of the Internal Revenue Code; or

(C) a nonprofit organization; for fundraising purposes.

(3) A gift card sold by a:

(A) nonprofit organization; or

(B) charitable organization exempt from federal taxation under Section 501 of the Internal Revenue Code; for fundraising purposes.

Sec. 5. (a) Except as provided in subsection (b), a person that issues a gift card may not charge a fee relative to the gift card, including a service fee, a maintenance fee, an administrative fee, a dormancy charge, or an inactivity charge, that has the effect of reducing the total amount for which the holder of the gift card may redeem the gift card.

(b) A gift card may be subject to an initial fee at the time the gift card is issued.

Sec. 6. A provision in an agreement creating a gift card that conflicts with this chapter is void.

**C
o
p
y**

